

WHAT WE, BELGIAN'S, CONSIDER TO BE MARKETING...

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Abstract: As we are foreign students who will be graduating this June in the field of Business management (Marketing) we wanted to share our knowledge and vision with our fellow Romanian students therefore did we write the following article. We consider marketing to be a universal common language and we strongly hope that our view on this matter will enlighten your entrepreneurial spirit.

Key words: marketing, marketing mix, product life cycle, swot analysis

The American Marketing Association states Marketing to be “the process of planning and executing the pricing, promotion, and distribution of goods, ideas, and services to create exchanges that satisfy individual and organizational goals.” So every action that moves people closer to a purchasing decision can be seen as marketing.

We believe that the following definition given by the Chartered Institute of Marketing (CIM) in the UK is what Marketing is or at least should be “the management process of anticipating, identifying and satisfying customer requirements profitably”. This means that every action, considered to be a marketing action, should not only awake the desires and needs of the ‘potential buyer’ but should as much be of financial interest (profit) for the marketer or his company.

Operative marketing encapsulates several processes as pricing, promotion, distribution, product life cycle management, product development and market study. But actually these are merely management tools to ensure products or services to accord to market requirements while being profitable for the enterprise.

Market research is what market-focused or (if you wish) even customer-focused organizations use to determinate what desires their potential customers have before building a product or a service. People will logically only be interested in purchasing a product when it has a perceived benefit or fills in a certain desire which can only be discovered by thorough market study. Thus we believe that this is an essential tool in the management process.

The word market originally meant the place where the exchange between buyer and seller took place. When specialists in marketing nowadays talk about markets they are usually referring to the different groups of people and organizations. Four major market groups can be distinguished: business to consumer, business to business, reseller and institutional.

Some critics believe that the marketer’s ability to influence the buyer’s desires and his purchasing decision is frightening. They accuse marketing of “creating ruthless exploitation” of consumers as well as workers “treating people as commodities whose only purpose is to consume”. Even though some consider marketing to be a curse; we

strongly pledge to see marketing as a blessing. It will (probably) provide us, 'economics', in the very near future with an more-than-average salary.

Looking back on our Belgian education we are of the opinion that some marketing principles are more important than others. We will give you our key principles of marketing.

1. The 4 P's

It was McCarthy who divided marketing in four general activities. His distinction has been universally recognized. His 4 P's are acknowledged all over the world. This 4 elements are referred to as the Marketing mix (fig. nr. 1).

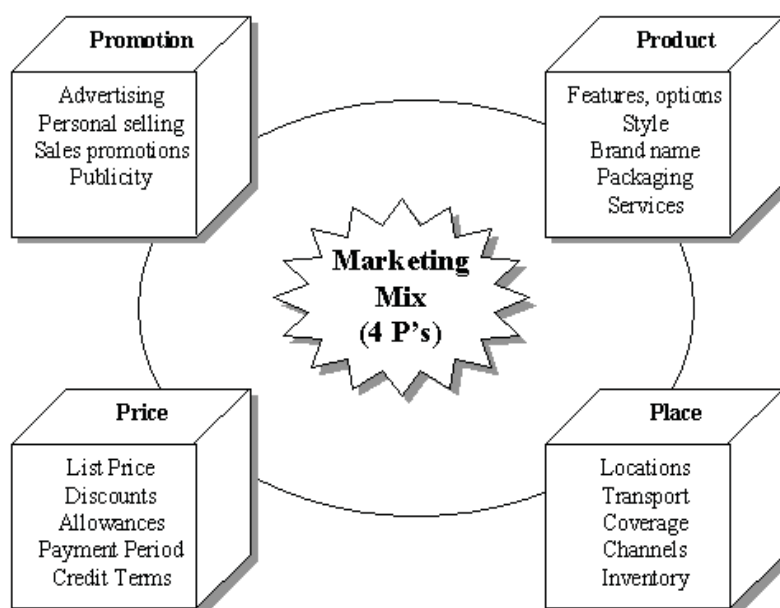


Figure no. 1. The 4 P's

Product

The major part of the marketers see product as the most important P. The explanation is a simple as it is logic. No product means no sales. No sales mean no turnover and certainly no benefits. If you want a product to sell it has to adapt to desires of the target population. A product has three different appearances: the physical product (this contains no emotional value), the total product (with emotional value) for example a brand name and finally the extensive product (with all related products) for example a pc with printer and software.

Place

The way how products are distributed and the location where products are being sold can be seen as the P of place. There are two main types of distribution: direct distribution, when no intermediary is used and indirect distribution where retailer or wholesaler purchase products of the manufacturer before selling them to 'consumers'.

Price

Obviously the price is essential for the consumer and it is determined by the interaction of offer and demand of the product. Price is dependent of the environment, the atmosphere, the place and the situation.

Promotion

When a product has been developed, a price has been fixed and a place of distribution has been chosen the last P: promotion comes to light. Everything that is done in order to stimulate the sales of a product can be seen as promotion. Several segments can be distinguished: Public Relations, Publicity, Sales Promotion, etc.

2. PLC

Product Life Cycle has an essential contribution to marketing because it gives a dynamic idea of the turnover of products, services or systems. This term was used for the first time by Theodore Levitt in the year 1965. This states that there are 4 stages in the turnover of a product: introduction, growth, maturity and decline. This chart represents the turnover of a single product and not of a whole company.

In order to survive the stage of decline an enterprise could carry through one or several product adjustments. This could re-attract potential buyers. Creative marketers will always find a way in order to keep their company's market share or perhaps even to enlarge it.

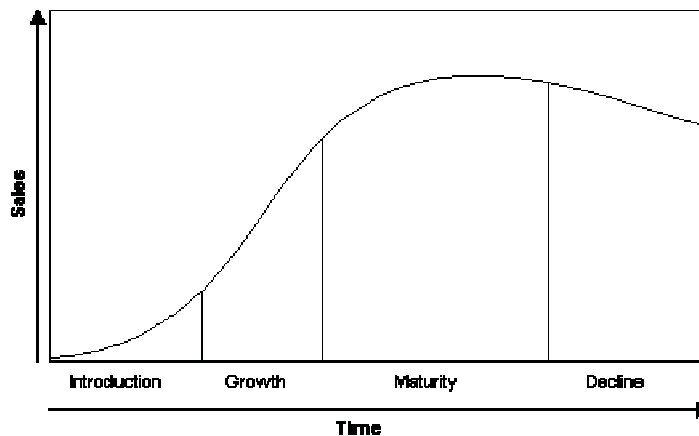


Figure no. 2 Product Life Cycle

3. SWOT

A swot analysis offers the Strengths, Weaknesses, Opportunities and Threats of a company or a (new) product. Originally the Swot was made to analyse multinationals. But today it is a very useful and popular mean to outline a company's environment.



Figure no. 3 SWOT Analysis

Where strengths and weaknesses are features of the company itself there the opportunities and the threats are subject to the influences, development and occurrences in it's environment.

4. AIDA

A product should have each of the following 'letters' in order to attract a potential buyer and convince him of his purchase.



Figure no. 4 AIDA (Attention, Interest, Desire, Action)

Attention = the product should be attractive

Interest = the person who is confronted with the product should immediately be interested.

Desire = it should answer to the needs and desires of those who are confronted with the product.

Action = to succeed the goal the product should be purchased.

5. KISS

If you allow us to give you a last guideline, we would like to finish by saying that a marketer must always **Keep It Short and Simple**.

We strongly believe that Marketing is a common language we even see it as a style of living because those who are the student marketers of today they will be the managers of tomorrow. Therefore we would like to conclude by admitting that we consider your country, Romania, to be a land of opportunity and hope especially when you will be joining the European Union in 2007.

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